

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 25, 2011

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: SB1854 by Deuell (Relating to the women's health program.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time.

This bill would extend the Medicaid Women's Health Program, as recommended in the report "Continue and Expand the Texas Medicaid Women's Health Program to Maximize Federal Funds and State Savings" in the Legislative Budget Board's *Government Effectiveness and Efficiency Report*, submitted to the Eighty-second Texas Legislature, 2011. In addition, the bill would expand the range of services of the program to include comprehensive primary care and prenatal services.

HHSC estimates the net savings to the General Revenue Fund from continuing the Women's Health Program family planning services as approximately \$39.6 million in fiscal year 2012, \$44.2 million in fiscal year 2013, and \$15.9 million in fiscal year 2014. HHSC assumed that beginning January 1, 2014, women's health services would be available through the expanded coverage provisions of the Patient Protection and Affordable Care Act and, therefore, estimated savings are only for the first four months of fiscal year 2014. Savings after this date would accrue to the program that replaces the Women's Health Program. Savings from continuing these services are assumed in Senate Committee Substitute for House Bill 1.

Women are already covered for prenatal care services as pregnant women in Medicaid. The bill does not specify which benefits would be included as comprehensive primary care; therefore, HHSC cannot estimate the cost implications of the bill. Unlike family planning services, which are reimbursed at a 90/10 match rate, comprehensive primary care services would be reimbursed at the normal FMAP rates and could represent a significant cost to the state. Given the uncertainty of the services to be provided or their costs, the fiscal implications of the bill cannot be determined.

HHSC reports that the bill would result in a significant technology impact but that the agency does not have the information necessary to make assumptions to estimate the fiscal impact.

The Act would take effect immediately if it receives a two-thirds vote of each house, otherwise it would take effect August 31, 2011.

Local Government Impact

HHSC does not anticipate a fiscal impact to local government entities.

Source Agencies: 529 Health and Human Services Commission, 537 State Health Services, Department of

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